

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONERBEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

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In the Matter of)	No. D 99-84
WESTERN DIVERSIFIED CASUALTY INSURANCE COMPANY)	Consent Order Levying a Fine
)	
<i>an Authorized Insurer</i>)	

FINDINGS OF FACT:

1. Western Diversified Casualty Insurance Company is authorized to transact property and casualty insurance business in Washington State. It is subject to WAC 284-07-010, which requires each insurer authorized to write property and casualty insurance in this state, to complete a special liability report and to submit it to the Insurance Commissioner by May 1 of the year after the calendar year which is the subject of the report.

2. In November of 1997, the Insurance Commissioner's staff mailed a form for this special liability report to Western Diversified Casualty Insurance Company, as a

courtesy and a reminder. Nevertheless, the insurer did not file a special liability report for calendar year 1997 by May 1, 1998.

3. On May 8, 1998, the Insurance Commissioner's Senior Actuary, Lee Barclay, sent a letter to Western Diversified Casualty Insurance Company. It stated in bold type that if the Insurance Commissioner had not received the report by June 1, 1998, the insurer would be fined. By June 1, the insurer had not yet submitted its special liability report for calendar year 1997. The report did not arrive at the Office of the Insurance Commissioner until July 6, 1998, over two months late.

CONCLUSIONS OF LAW:

1. The failure of Western Diversified Casualty Insurance Company to file its 1997 special liability report with the Insurance Commissioner by May 1, 1998 was a violation of WAC 284-07-010. It was also a violation of RCW 48.05.380, "Reports by property and casualty insurers- Rules" and of RCW 48.05.390, "Reports by various insurers- Contents."

2. RCW 48.05.140, "Certificate of authority- Discretionary refusal, revocation , suspension" provides in section (1) that the Insurance Commissioner is authorized to refuse, suspend or revoke an insurer's certificate of authority if the insurer "...Fails to comply with any provision of this code other than those for which refusal, suspension, or revocation is mandatory".

3. RCW 48.05.185, "Fine in addition to or in lieu of suspension, revocation, or refusal" provides that "After hearing or with the consent of the insurer and in addition to or in lieu of the suspension, revocation, or refusal to renew any certificate of authority, the Commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars."

Western Diversified Casualty Insurance Company hereby stipulates to the foregoing Findings of Fact and Conclusions of Law and consents to this order, which imposes a fine of two thousand five hundred dollars for the violation described above, in lieu of further proceedings in this matter. This fine will be paid in full within thirty days after the entry of this order at Olympia, Washington. Failure to pay this fine timely and in full will constitute grounds for suspension or revocation of the insurer's certificate of authority in Washington state, and the fine will be recovered in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

Western Diversified Insurance Company expressly stipulates to obey all insurance laws and regulations of Washington state in the future, including but not limited to WAC 284-07-010, RCW 48.05.380, RCW 48.05.390.

EXECUTED this _____ day of _____, 1999

Corporate Title _____

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of two thousand five hundred dollars (\$2500) upon Western Diversified Casualty Insurance Company. This fine must be paid in full within thirty days after this order is entered at Olympia, Washington. Failure to pay the fine timely and in full will constitute grounds for suspension or revocation of the insurer's certificate of authority. It will also result in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT OLYMPIA, WASHINGTON on this _____ day of _____,
1999.

DEBORAH SENN

Insurance

Commissioner

WILLIAM KAY KIRBY

Assistant Deputy Insurance Commissioner III

